

REPORT
ON
THE LOW-INCOME AND ENERGY EFFICIENCY FUND
MICHIGAN PUBLIC SERVICE COMMISSION
JUNE 1, 2006

J. Peter Lark, Chairman
Laura Chappelle, Commissioner
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Michigan Department of Labor & Economic Growth

LOW-INCOME AND ENERGY EFFICIENCY FUND REPORT

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The Low-Income and Energy Efficiency Fund Report

Introduction

The Customer Choice and Electricity Reliability Act of 2000, Public Act 141, authorized the creation of a Low-Income and Energy Efficiency Fund (LIEEF), administered by the Michigan Public Service Commission (Commission) via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding resulted from securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. Section 10d(6), MCL 46010d(6) specifies the use of a portion of the savings.

If securitization savings exceed the amount needed to achieve a 5% rate reduction for all customers, then, for a period of 6 years, 100% of the excess savings, up to 2% of the electric utility's commercial and industrial revenues, shall be allocated to the low-income and energy efficiency fund administered by the Commission. The Commission shall establish standards for the use of the fund to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes.

During the period described in Section 10d(6), The Detroit Edison Company was the only electric utility to realize benefits from securitization that met the statutory threshold for making contributions to the fund out of its excess savings. (Detroit Edison obtained authorization to issue \$1.8 billion in securitization bonds on November 2, 2000 in Case No. U-12478. Consumers Energy Company, the only other utility to seek securitization authorization, issued

less than \$0.5 billion in bonds pursuant to Case No. U-12505.) As of May 5, 2005, Detroit Edison had remitted \$168,709,968 in total to the Department of Labor & Economic Growth.

On February 20, 2004, the Commission in its Order U-13808 granting interim rate relief, rolled securitization savings into base rates for Detroit Edison customers and continued to fund the Low-Income and Energy Efficiency Fund as a cost added to the utility's cost of service. The mechanism was set to generate \$39,858,000 annually. The Commission in its final order U-13808 issued on November 23, 2004 reaffirmed the \$39.8 million of annual funding. Detroit Edison's actual remittance, which occurs on a monthly basis, totals \$3.3 million per month or \$39.8 million annually. On December 22, 2005, the Commission in its Order U-14347 authorized Consumers Energy to fund \$26,536,000 million for the LIEEF. Currently Consumers Energy's remittance totals approximately \$2.2 million per month or \$26.536 million annually.

On September 30, 2005, the Department of Labor and Economic Growth appropriations bill for 2005-2006, Public Act 156 of 2005, was signed, which authorized \$60 million for the Fund and requested that the Commission report by June 1, 2006, on the distribution of funds. The \$60 million appropriation reflected the estimate of the annual revenue that would accrue to the fund. On February 3, 2006, a supplemental appropriation was signed providing an additional \$21.5 million appropriation for a total authorization of \$71.5 million from the fund.

Procedural Framework

On November 20, 2001, the Commission issued an Order setting the procedural framework to administer the Fund. Based on the Act, the Commission stated it expected the annual disbursement to fall into three broad categories:

- 1) Energy assistance for low-income customers;

- 2) Conservation and energy efficiency measures targeted toward reducing the energy use and energy bills of low-income customers; and
- 3) The development of energy efficiency programs that benefit all customer classes.

Grant Awards

To date, the Commission has issued Orders approving 15 rounds of grants from the Low-Income and Energy Efficiency Fund totaling \$237,418,899. The first three rounds of grants were awarded in Fiscal Year 2002. The fourth and fifth rounds were awarded in Fiscal Year 2003. The sixth and seventh rounds of grants were awarded in Fiscal Year 2004. Rounds eight, nine, ten, eleven, and twelve have been awarded in Fiscal Year 2005. The thirteenth, fourteenth, and fifteenth were awarded in Fiscal Year 2006. The grants have been awarded as follows:

- 1) \$27.4 million to provide low-income energy assistance (2002);
- 2) \$12.2 million to develop or improve energy efficiency technologies (2002);
- 3) \$5 million for low-income energy efficiency projects (2002);
- 4) \$20 million to provide low-income energy assistance (2003);
- 5) \$20 million to provide low-income energy assistance (2003);
- 6) \$9.7 million for low-income energy efficiency projects (2004);
- 7) \$13 million to provide low-income energy assistance (2004);
- 8) \$20 million to provide low-income energy assistance (2005);
- 9) \$8 million for low-income energy efficiency projects (2005);
- 10) \$6 million to develop or improve energy efficiency technologies (2005);
- 11) \$15 million for low-income energy assistance (2005);
- 12) \$5 million to provide for low-income energy efficiency projects (2005);

- 13) \$41 million to provide for low-income energy assistance (2006);
- 14) \$10 million to provide for low-income energy efficiency projects (2006);
- 15) \$25 million to provide for low-income energy assistance (2006).

Fiscal Year 2002 (Round One)

On February 21, 2002, the Commission approved eight grants totaling up to \$27.4 million for low-income energy assistance projects to the following organizations (also see Attachment A):

- Family Independence Agency -- \$12 million to provide supplemental payments to households receiving the Home Heating Credit and \$3 million to expand the State Emergency Fund through Community Action Agencies;
- Family Independence Agency -- \$4 million for energy assistance special needs and other energy assistance priorities throughout the State of Michigan;
- Leslie Outreach, Incorporated -- \$34,109 to provide assistance to households in the Leslie, Stockbridge, and Dansville school districts;
- Michigan Community Action Agency Association – up to \$3.1 million to provide a 2:1 match for funds raised locally through the Walk for Warmth;
- Newaygo County Community Services -- \$45,676 to assist households in Newaygo County ineligible for assistance from Family Independence Agency or for whom such assistance is insufficient or unavailable;
- The Salvation Army -- \$3 million to serve households statewide ineligible for assistance from Family Independence Agency or for whom such assistance is insufficient or not available;
- The Heat and Warmth Fund -- \$2 million for The Heat and Warmth Safety Net Program in sixty existing sites in southern Michigan;
- Wayne Metropolitan Community Action Agency -- \$212,987 to provide assistance to households in out-Wayne County facing shut-off of energy services.

Fiscal Year 2002 (Round 2)

On July 23, 2002, the Commission approved nine grants totaling nearly \$12.2 million to be used to develop or to improve energy efficiency technologies to the following organizations (also see Attachment B):

- Bay de Noc Community College/Michigan Technical Education Center -- \$2 million to establish the “Northern Lights” revolving loan fund, designed to assist businesses, school districts, and local governmental agencies in undertaking energy efficiency improvements and pay for upgrades through energy savings;
- DTE Energy Technologies, Incorporated -- \$395,000 for the installation and operation of a three to four unit combined heat and power fuel cell system for demonstrating usefulness of combined heat and power fuel cells;
- EnSave Energy Performance, Incorporated -- \$385,805 to fund rebates of \$500-\$1000 on the purchase and installation by Michigan dairy farmers of variable speed drive systems;
- Ford Motor Company -- \$1.3 million for the development and testing of a process via construction of a full-size prototype, designed to capture and destroy volatile organic compounds by using those compounds as a source of fuel cell energy;
- Grand Valley State University -- \$3 million to establish the Energy Center of Excellence to develop, improve, and demonstrate energy efficiency technology applications;
- Intellicon -- \$275,000 specialized “grid intelligence” software allowing utilities and other electric transmission companies to identify ways to increase the electric flow capacity on their grids and reduce the probability, frequency and scale of brownouts and blackouts;
- Michigan Economic Development Corporation -- \$4.2 million to assist in the design, construction and installation of a microgrid system to power, through the use of districted generation and other means, the NextEnergy Center and NextEnergy Zone;
- Sordal Incorporated -- \$584,448 to design and build machines capable of producing a nonflammable, light weight insulation material in a shape and size necessary for widespread industrial, commercial and residential use;
- STM Power, Incorporated -- \$53,200 installing, operating, maintaining and Beta testing a 25 kilowatt combined heat and power-based distributed generation unit to be located in a Belleville landfill.

Fiscal Year 2002 (Round Three)

On August 20 and September 16, 2002, the Commission approved seven grants totaling nearly \$5 million for low-income energy efficiency projects to the following organizations (also see Attachment C):

- Community Economic Development Association of Michigan -- \$203,840 for Build Michigan, a program to influence organizations building affordable housing to build healthier and more energy efficient structures;
- Consumers Energy Company -- \$351,500 for an education campaign targeted at qualified low-income customers throughout its gas and electric service territories and a follow-up survey to validate energy savings;
- Metro Neighborhood Housing and Community Development -- \$987,500 to improve the efficiency of homes in Detroit, Flint and Saginaw by providing home energy audits; energy efficiency upgrades; training for contractors, homeowners, community groups, and students, and program evaluation;
- Michigan Community Action Agency Association -- \$2.7 million to enhance the existing statewide Weatherization Assistance Program with expanded and enhanced energy efficiency measures and client education;
- Nova Development Group -- \$506,145 for energy conservation measures dispersed to multi-family affordable housing units in Michigan;
- United Way Community Services/Nonprofit Facilities Center -- \$250,000 to expand its planning, workshops, and grant making practices to include a special incentive program directed to nonprofit housing organizations that maintain a minimum of six housing units for persons or households that qualify as low-income;
- Washtenaw Affordable Housing Corporation -- \$26,000 for an energy efficiency retrofit of a low-income apartment building and enhancement of residents' conservation awareness.

Fiscal Year 2003 (Round Four)

On December 20, 2002, the Commission approved four grants totaling \$20 million for low-income energy assistance projects to the following organizations (also see Attachment D):

- Family Independence Agency -- \$12 million to provide supplemental payments to households receiving the Home Heating Credit and \$1.5 million to expand the State Emergency Fund in cooperation with community action agencies;
- Michigan Community Action Agency Association -- \$2 million in a direct grant for low-income energy assistance;
- The Salvation Army -- \$3 million to serve households statewide ineligible for assistance from Family Independence Agency or for whom such assistance is insufficient or not available;
- The Heat and Warmth Fund -- \$1.5 million for The Heat and Warmth Safety Net Program.

On August 18, 2003, the Commission approved an Order Approving Request from the Family Independence Agency to use the December 20, 2002 grant of \$12 million for the State Emergency Relief Program rather than for Home Heating Credit supplement payments.

Fiscal Year 2003 (Round Five)

On February 27, 2003, the Commission approved four grants totaling \$20 million for low-income energy assistance projects to the following organizations (also see Attachment E):

- Family Independence Agency -- \$17 million to expand the State Emergency Relief Fund;
- Michigan Community Action Agency Association -- \$1 million in a direct grant for low-income energy assistance;
- The Salvation Army -- \$1 million to serve households statewide ineligible for assistance from Family Independence Agency or for whom such assistance is insufficient or not available;
- The Heat and Warmth Fund -- \$1 million for The Heat and Warmth Safety Net Program.

Fiscal Year 2004 (Round Six)

On October 14, 2003, the Commission approved eight grants totaling \$6.8 million for low-income energy efficiency projects to the following organizations (also see Attachment F):

- Community Economic Development Association of Michigan -- \$652,000 for education of nonprofit housing managers, financial incentives for nonprofit housing groups to build more efficient homes, pre-certification and certification of new construction to 5-star

energy ratings, and distribution of homeowner handbooks to occupants of certified homes;

- Habitat for Humanity of Michigan -- \$327,200 for energy efficient upgrades to homes scheduled for construction in 2004 for low-income families in Michigan;
- Metro Neighborhood Housing and Community Development -- \$1.5 million for home inspections to demonstrate Energy Star appliances, efficient lighting, construction upgrades, and heating/cooling products, and increase low-income homeowners' awareness about energy wise appliance and lighting usage;
- Michigan Community Action Agency Association -- \$1.5 million to provide weatherization inspections and services, and weatherization and client education programs;
- Nova Development Group of Detroit, L.L.C., d/b/a Nova Development Group Michigan (HEAT) Home Energy Analysis Team -- \$1.5 million to provide energy conservation improvements and energy education for low-income families living in affordable multi-family housing units;
- United Way Community Services/Nonprofit Facilities Center -- \$865,000 for energy efficiency audits, energy efficiency/weatherization education, and grants and matching grants to non-profit facilities for energy efficiency upgrades;
- Urban Options, Incorporated -- \$244,490 for energy education, audits, and low interest loans to homeowners for efficiency upgrades and purchase of Energy Star appliances;
- WARM Training Center -- \$209,000 for energy education to consumers who receive energy assistance.

On May 15, 2002, House Bill 5644, Sec. 335 was passed, stating "of the funds appropriated in Part 1 for low-income/energy efficiency assistance, \$3,000,000 shall be allocated to community action agencies across the state to support shut-off protection programs for low-income individuals."

Fiscal Year 2004 (Round Seven)

On October 29, 2003, the Commission approved four grants totaling \$13 million for low-income energy assistance projects to the following organizations (also see Attachment G):

- Family Independence Agency -- \$7.5 million to expand the State Emergency Relief Program;

- Newaygo County Community Services -- \$500,000 to assist clients in a ten county area ineligible for the State Emergency Relief Program or for whom such assistance is insufficient or would not be available in time to avert an emergency;
- The Salvation Army -- \$2 million to serve households statewide ineligible for assistance from Family Independence Agency or for whom such assistance is insufficient or not available;
- The Heat and Warmth Fund -- \$3 million for The Heat and Warmth Safety Net Program.

Fiscal Year 2005 (Round Eight)

On October 14, 2004, the Commission approved eight grants totaling \$20 million for low-income energy assistance projects to the following organizations (also see Attachment H):

- Detroit Neighborhood and Family Initiative -- \$50,000 for energy assistance to low-income households in the greater Detroit and Wayne County areas;
- Downriver Community Conference -- \$50,000 for energy assistance to low-income households in the Monroe and southern Wayne County areas;
- Family Independence Agency -- \$10 million for the Low-Income Home Energy Assistance Program for low-income households to restore energy services already disconnected and to prevent threatened shutoffs of energy services;
- Lighthouse Emergency Services -- \$100,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from the Family Independence Agency or for whom such assistance is insufficient or would not be provided in time to avert an emergency;
- Michigan Community Action Agency Association -- \$2.5 million for direct heating assistance and deliverable fuels program for low-income households;
- Newaygo County Community Services -- \$500,000 to assist clients in a ten county area ineligible for the State Emergency Relief Program or for whom such assistance is insufficient or would not be available in time to avert an emergency;
- The Heat and Warmth Fund -- \$3.4 million for The Heat and Warmth Fund Safety Net Program;
- The Salvation Army -- \$3.4 million to serve households statewide ineligible for assistance from the Family Independence Agency or for whom such assistance is insufficient or not available.

Fiscal Year 2005 (Round 9)

On October 22, 2004, the Commission approved eight grants totaling \$8 million for low-income energy efficiency to the following organizations (also see attachment I):

- Bay de Noc Community College/Michigan Technical Education Center -- \$500,000 for the development and implementation of a revolving loan fund for local housing commissions for purchase and installation of energy efficient upgrades for low-income housing facilities;
- Family Independence Agency -- \$4.2 million for a statewide partnership program with the Community Action/Weatherization network to assist low-income households to become energy self-sufficient through energy efficiency upgrades and education;
- Habitat for Humanity -- \$175,000 for energy efficiency upgrades in homes expected to be constructed under the Habitat for Humanity program;
- Lac Vieux Desert Band of Lake Superior Chippewa Tribal Government -- \$10,000 for purchase and installation of energy efficient upgrades for tribal owned low-income housing occupied by tribal and non-tribal members;
- Metro Neighborhood Housing and Community Development -- \$1.7 million for improving the energy efficiency of urban homes located in 15 statewide communities by providing energy audits, efficiency upgrades, and energy efficiency training of all participants in the program;
- Nova Development Group of Detroit, L.L.C. -- \$300,000 for energy efficiency audits, upgrades, and installations for low-income multi-family dwellings throughout Michigan;
- United Way Community Services/Nonprofit Facilities Center -- \$825,000 for energy efficiency programs directed at non-profit organizations that provide facilities to low-income persons who do not or cannot own their own homes in the Detroit tri-county area;
- Warm Training Center -- \$250,000 for energy education through workshops and home visits to clients referred by agencies located in the City of Detroit.

Fiscal Year 2005 (Round 10)

On June 30, 2005, the Commission approved eleven grants totaling \$6 million to be used to develop or to improve energy efficiency technologies to the following organizations (also see Attachment J).

- Automation Alley Technologies Center -- \$550,000 to install two building-integrated solar power electric systems, an integrated energy management system, and a battery back-up system in Michigan;
- Elkton-Pigeon-Bay Port Laker School District -- \$265,000 for the installation and grid tying of two wind turbines and a solar panel on the property of the Laker School District located in the upper thumb area of Michigan;
- Energy Conversion Devices, Incorporated/Ovonic Fuel Cell Company -- \$400,000 for the development of a prototype “Ovonic Regenerative Fuel Cell”, to be used by customers that require reliable backup power through an uninterruptible power supply system.
- Grand Valley State University -- \$1 million to build a pilot plant that converts animal biomass into methane gas, used to generate electricity;
- Michigan Department of Environmental Quality -- \$185,000 for the development of an analysis to identify appropriate sources and quantities of energy efficiency and renewable energy feedstocks/technologies available, and to optimize net economic benefits to Michigan’s economy;
- Michigan State University/Biosystems & Agricultural Engineering -- \$2 million to construct an anaerobic digester, including an anaerobic membrane bioreactor and evaporator, reverse osmosis equipment, an expanded facility for struvite production, a constructed wetland, and provisions for visitors;
- NextEnergy Center -- \$150,000 towards the development of an interactive fleet user’s website in Michigan that will assist in determining and evaluating fuel economy improvements, emission reductions for various types of powertrain technologies, and alternative fuel vehicles;
- Northwestern Michigan College (Michigan Technical Education Center) -- \$450,000 for the “Northern Michigan Energy Demonstration Center-Renewable Energy Training Laboratory” which will focus on the training of students for residential energy efficiency and renewable energy systems;
- Traverse City Light & Power -- \$400,000 to demonstrate how an integrated renewable energy district heating and wind power plan can be developed, implemented, and administered on a community scale in a cost effective manner, providing economic and environmental benefits;
- U.P. Steel -- \$530,000 to assist in development of a pilot mill using a new microwave/electric arc furnace steelmaking technology;
- West Michigan BioDiesel LLC -- \$70,000 for the purchase of items to assist with safe and efficient production using recycled vegetable oil for feedstock at its plant.

Fiscal Year 2005 (Round 11)

On January 25, 2005, the Commission approved six grants totaling \$15 million low-income energy assistance projects to the following organizations (also see Attachment K):

- Family Independence Agency -- \$11.4 million for the low income home energy assistance program for low-income households to restore energy services already disconnected and to prevent threatened shutoff of energy services;
- Lighthouse Emergency Services -- \$100,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from the Family Independence Agency or for whom such assistance is insufficient or would not be provided in time to avert an emergency;
- Michigan Community Action Agency Association -- \$1.1 million for direct heating assistance and deliverable fuels programs for low-income households;
- Newaygo County Community Services -- \$250,000 to assist clients in a ten-county area ineligible for the State Emergency Relief Program or for whom such assistance is insufficient or would not be available in time to avert an emergency;
- Salvation Army -- \$1.05 million to serve households statewide ineligible for assistance from the Family Independence Agency or for whom such assistance is insufficient or not available;
- The Heat and Warmth Fund -- \$1.1 million for the THAW Safety Net Program.

Fiscal Year 2005 (Round 12)

On February 24, 2005, the Commission approved eight grants totaling up to \$5 million for low-income energy efficiency projects to the following organizations

(also see Attachment L):

- Bay de Noc Community College/Michigan Technical Education Center -- \$450,000 for development and implementation of a revolving loan fund for purchase and installation of energy efficient upgrades for low-income housing facilities.
- Detroit Housing Commission -- \$250,000 for weatherization of low-income homes in the City of Detroit.

- Family Independence Agency -- \$1.05 million for statewide distribution to low-income households for energy efficiency upgrades and education.
- Metro Neighborhood Housing and Community Development -- \$1.05 million for improving the energy efficiency of urban homes located in ten statewide communities by providing energy audits, efficiency upgrades, and energy efficiency training of all participants in the program.
- Michigan Community Action Agency Association -- \$1.05 million to provide weatherization inspections and services and weatherization and client education programs.
- United Way Community Services/Nonprofit Facilities Center -- \$450,000 for energy efficiency audits, energy efficiency/weatherization education, and grants and matching grants to non-profit facilities for energy efficiency upgrades.
- Nova Development Group of Detroit, L.L.C. -- \$400,000 for energy efficiency audits, upgrades, and installations for low-income multi-family dwellings throughout Michigan.
- Urban Options, Incorporated -- \$300,000 for energy education, audits, and purchases of Energy Star appliances.

Fiscal Year 2006 (Round 13)

On October 18, 2005, the Commission approved seven grants totaling \$41 million for low-income energy assistance projects to the following organizations (also see Attachment M):

- Department of Human Services -- \$26,525,000 million in total. \$20,525,000 for the State Emergency Relief program and to prevent threatened shutoff of energy services and \$6,000,000 to restore energy services already disconnected;
- Downriver Community Conference -- \$275,000 for energy assistance to low-income households in the Monroe and southern Wayne County areas;
- Lighthouse Emergency Services -- \$200,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from the DHS or for whom such assistance is insufficient or would not be provided in time to avert an emergency;
- Michigan Community Action Agency Association -- \$4.5 million in total. \$3,000,000 for low income direct energy assistance, \$1,000,000 for deliverable fuels programs for low-income households, and \$500,000 to provide a 2:1 match for funds raised locally through the Walk for Warmth project;

- Newaygo County Community Services -- \$500,000 to assist clients in a ten-county area ineligible for the State Emergency Relief Program or for whom such assistance is insufficient or would not be available in time to avert an emergency;
- The Heat and Warmth Fund -- \$4.5 million for the THAW LI/EE program;
- Salvation Army -- \$4.5 million to serve households statewide ineligible for assistance from the Department of Human Services or for whom such assistance is insufficient or not available.

On March 14, 2006, the Commission issued an Order approving a request to amend the October 18, 2005 order to provide that the grant to the Department of Human Services shall be \$26,525,000 million in total. \$20,525,000 for the State Emergency Relief program and to prevent threatened shutoff of energy services and \$6,000,000 to restore energy services already disconnected or to assist low-income winter protection participants who are experiencing high balances to reduce their arrearages.

Fiscal Year 2006 (Round 14)

On December 20, 2005, the Commission approved eight grants totaling up to \$10 million for low-income energy efficiency projects to the following organizations
(also see Attachment N):

- Bay de Noc Community College/Michigan Technical Education Center -- \$750,000 for purchase and distribution of energy savings kits to low-income rural households in Michigan;
- Department of Human Services -- \$4.5 million in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grants available for energy education;
- Habitat for Humanity -- \$250,000 for energy efficiency upgrades to low-income homes in Michigan, scheduled for construction in 2006;
- Michigan Community Action Agency Association -- \$2 million in total for statewide distribution to provide weatherization upgrades for low-income households, with up to 20% to be spent on client weatherization education;
- Nova Development Group of Detroit, L.L.C. -- \$1,350,000 for energy efficiency upgrades, and installations for low-income multi-family dwellings throughout Michigan;

- United Way Community Services/Nonprofit Facilities Center -- \$500,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency/weatherization education;
- Urban Options, Incorporated -- \$400,000 for weatherization of low-income clients' homes, with a focus on heating systems, for 11 counties located throughout Michigan;
- Warm Training Center - \$250,000 for energy education for customers who receive energy assistance.

Fiscal Year 2006 (Round 15)

On February 21, 2006, the Commission approved seven grants totaling \$25 million for low-income energy assistance projects to the following organizations (also see Attachment O):

- Department of Human Services -- \$20 million in total. \$15 million for the State Emergency Relief and Energy Direct program to prevent threatened shutoff of energy services and \$5 million for the Arrearage Payment program;
- Downriver Community Conference -- \$200,000 for energy assistance to low-income households in the Monroe and southern Wayne County areas;
- Lighthouse Emergency Services -- \$100,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from the Department of Human Services or for whom such assistance is insufficient or would not be provided in time to avert an emergency;
- Michigan Community Action Agency Association -- \$1.5 million in total. \$1.3 million for low income direct energy assistance, and \$200,000 to provide a 2:1 match for funds raised locally through the Walk for Warmth project;
- Newaygo County Community Services -- \$200,000 to assist clients in a ten-county area ineligible for the State Emergency Relief Program or for whom such assistance is insufficient or would not be available in time to avert an emergency;
- The Heat and Warmth Fund -- \$1.5 million for the THAW LI/EE program;
- Salvation Army -- \$1.5 million to serve households statewide which are ineligible for assistance from the Department of Human Services or for whom such assistance is insufficient or not available.

Evaluation

The Commission requires grantees to provide data on program accomplishments and problems encountered in completing grant requirements. This information is used to determine if the grantees accomplished the objectives stated in their proposals and resulting grant agreements. This information is also used to assess if and how the distribution of funds should be modified in the future. Information to date indicates that the performance level of these grants meets or exceeds expectations for the Low-Income Energy Efficiency Fund. These results will continue to improve in the future as staff works closely with the grant recipients in increasing its understanding of the level of detail, required in the Interim and Bi-monthly Reports submitted to the Commission.

The Michigan Public Service Commission's staff continues conducting financial audits of grants in 2005-2006 to enhance the Commission's oversight of the Low-Income and Energy Efficiency Fund grant program. Also, there are ongoing discussions between staff and grantees on potential changes to several grant administration policies, e.g. offering a more flexible grant implementation time period, developing methods to stretch the assistance money's, etc.

Attachment P summarizes the grants approved by the Commission for this current fiscal year, the amounts disbursed to the date, and the balances remaining for each grantee.

SUMMARY OF PROPOSALS
ATTACHMENTS “A – O”
LOW-INCOME
AND
ENERGY EFFICIENCY FUND GRANTS

ATTACHMENT A**LOW-INCOME ENERGY ASSISTANCE GRANTS****SUMMARY OF BIDS – ROUND 1****COMMISSION ORDER – FEBRUARY 21, 2002**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Family Independence Agency- Home Heating Credit & State Emergency Fund	\$12,000,000.00	\$15,000,000.00
Family Independence Agency- State Emergency Fund	\$4,000,000.00	\$4,000,000.00
Leslie Outreach, Incorporated	\$34,109.00	\$34,109.00
Michigan Community Action Agency Association – Walk for Warmth	\$3,110,000.00	\$3,110,000.00
Newaygo County Community Services	\$45,675.00	\$45,675.00
Salvation Army	\$14,374,318.00	\$3,000,000.00
The Heat and Warmth Fund	\$6,000,000.00	\$2,000,000.00
Wayne Metropolitan Community Action Agency	\$212,987.00	\$212,987.00
Grand Rapids Urban League	\$50,000.00	\$0.00
Downriver Community Conference	\$1,500,000.00	\$0.00
Totals	\$41,327,089.00	\$27,402,771.00

MICHIGAN ENERGY EFFICIENCY GRANTS

SUMMARY OF BIDS – ROUND 2

COMMISSION ORDER - JULY 23, 2002

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Bay de Noc Community College – Michigan Technical Education Center	\$2,500,000.00	\$2,000,000.00
DTE Energy Technologies, Incorporated	\$1,185,000.00	\$395,000.00
EnSave Energy Performance, Incorporated	\$385,805.00	\$385,805.00
Ford Motor Company	\$1,300,000.00	\$1,300,000.00
Grand Valley State University	\$6,000,000.00	\$3,000,000.00
Intellicon, Incorporated	\$275,000.00	\$275,000.00
Michigan Economic Development Corporation	\$4,200,000.00	\$4,200,000.00
Sordal, Incorporated	\$955,658.00	\$584,448.00
STM Power, Incorporated	\$1,193,500.00	\$53,200.00
Coffman Electrical Equipment	\$605,800.00	\$0.00
ICT, Incorporated	\$2,381,815.00	\$0.00
New Haven Community Schools	\$1,598,894.00	\$0.00
Totals	\$22,581,472.00	\$12,193,453.00

ATTACHMENT C

LOW-INCOME ENERGY EFFICIENCY GRANTS

SUMMARY OF BIDS – ROUND 3

COMMISSION ORDER – AUGUST 20, 2002

***ADDENDUM COMMISSION ORDER – SEPTEMBER 16, 2002**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Community Economic Development Association of Michigan	\$203,840.00	\$203,840.00
Consumers Energy Company	\$1,443,000.00	\$351,500.00
Metro Neighborhood Housing & Community Development	\$2,358,055.00	\$987,500.00
Michigan Community Action Agency Association	\$5,000,000.00	\$2,700,000.00
Nova Development Group of Detroit, L.L.C.	\$1,012,290.00	\$506,145.00
Nonprofit Facilities Center – United Way Community Services	\$250,000.00	\$250,000.00
*Washtenaw Affordable Housing Coalition	\$52,000.00	\$26,000.00
Lenawee County Chapter of the American Red Cross	\$100,000.00	\$0.00
Muskegon County Energy Coalition	\$2,816,500.00	\$0.00
Urban Options	\$76,053.60	\$0.00
Totals	\$13,311,738.60	\$5,024,985.00

LOW-INCOME ENERGY ASSISTANCE GRANTS

SUMMARY OF BIDS – ROUND 4

COMMISSION ORDER – DECEMBER 20, 2002

***COMMISSION ORDER – AUGUST 18, 2003**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
*Family Independence Agency - State Emergency Relief	\$12,000,000.00	\$12,000,000.00
Family Independence Agency - Community Action Agencies	\$3,000,000.00	\$1,500,000.00
Michigan Community Action Agency Association	\$7,000,000.00	\$2,000,000.00
Salvation Army	\$5,000,000.00	\$3,000,000.00
The Heat and Warmth Fund	\$6,000,000.00	\$1,500,000.00
Albion Interfaith Ministries	\$10,000.00	\$0.00
Downriver Community Conference	\$575,000.00	\$0.00
Good Neighbors Mission	\$501,829.00	\$0.00
Lac Vieux Desert Band of Lake Superior Chippewa Tribal Government	\$2,816,500.00	\$0.00
Newaygo County Community Services	\$47,250.00	\$0.00
STM Power, Incorporated	\$4,910,000.00	\$0.00
Totals	\$41,860,579.00	\$20,000,000.00

ATTACHMENT E**LOW-INCOME ENERGY ASSISTANCE GRANTS****SUMMARY OF BIDS – ROUND 5****COMMISSION ORDER – FEBRUARY 27, 2003**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Family Independence Agency - State Emergency Relief	\$17,000,000.00	\$17,000,000.00
Michigan Community Action Agency Association	\$5,000,000.00	\$1,000,000.00
Salvation Army	\$2,000,000.00	\$1,000,000.00
The Heat and Warmth Fund	\$6,000,000.00	\$1,000,000.00
Downriver Community Conference	\$575,000.00	\$0.00
Family Independence Agency - Community Action Agencies	\$3,000,000.00	\$0.00
Newaygo County Community Services	\$630,000.00	\$0.00
Totals	\$34,205,000.00	\$20,000,000.00

LOW-INCOME ENERGY EFFICIENCY GRANTS

SUMMARY OF BIDS – ROUND 6

COMMISSION ORDER – OCTOBER 14, 2003

****SPECIFIC LEGISLATIVE BUDGET LINE ITEM**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Community Economic Development Association of Michigan	\$652,000.00	\$652,000.00
Habitat for Humanity of Michigan	\$327,000.00	\$327,200.00
Metro Neighborhood & Community Development	\$4,743,000.00	\$1,500,000.00
Michigan Community Action Agency Association	\$1,500,000.00	\$1,500,000.00
**Michigan Community Action Agency Association – Direst Assistance Program (PSC-04-09)	\$3,000,000.00	\$3,000,000.00
Nova Development Group of Detroit, L.L.C.	\$1,700,000.00	\$1,500,000.00
Nonprofit Facilities Center – United Way Community Services	\$865,000.00	\$865,000.00
Urban Options, Incorporated	\$244,490.00	\$244,490.00
WARM Training Centers	\$209,000.00	\$209,000.00
Sordal, Incorporated	\$934,144.00	\$0.00
Totals	\$14,174,634.00	\$9,797,690.00

LOW-INCOME ENERGY ASSISTANCE GRANTS

SUMMARY OF BIDS – ROUND 7

COMMISSION ORDER – OCTOBER 29, 2003

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Family Independence Agency - State Emergency Relief Program	\$13,000,000.00	\$7,500,000.00
Newaygo County Community Services	\$887,250.00	\$500,000.00
Salvation Army	\$4,000,000.00	\$2,000,000.00
The Heat and Warmth Fund	\$6,000,000.00	\$3,000,000.00
Downriver Community Conference	\$575,000.00	\$0.00
Michigan Community Action Agency Association - Walk for Warmth	\$1,000,000.00	\$0.00
Society of St. Vincent de Paul	\$119,994.00	\$0.00
Totals	\$25,582,244.00	\$13,000,000.00

LOW-INCOME ENERGY ASSISTANCE GRANTS

SUMMARY OF BIDS – ROUND 8

COMMISSION ORDER – OCTOBER 14, 2004

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Detroit Neighborhood and Family Initiative	\$652,000.00	\$50,000.00
Downriver Community Conference	\$575,000.00	\$50,000.00
Family Independence Agency - Low-Income Home Energy Assistance Program	\$16,000,000.00	\$10,000,000.00
Lighthouse Emergency Services	\$525,000.00	\$100,000.00
Michigan Community Action Agency Association – Direct Heating Assistance & Deliverable Fuels	\$15,000,000.00	\$2,500,000.00
Newaygo County Community Services	\$1,733,169.00	\$500,000.00
Salvation Army	\$6,913,723.00	\$3,400,000.00
The Heat and Warmth Fund	\$10,000,000.00	\$3,400,000.00
D.A. Home Improvements, Incorporated	\$6,080,000.00	\$0.00
Society of St. Vincent de Paul	\$66,500.00	\$0.00
Totals	\$57,545,392.00	\$20,000,000.00

ATTACHMENT I**LOW-INCOME ENERGY EFFICIENCY GRANTS****SUMMARY OF BIDS – ROUND 9****COMMISSION ORDER – OCTOBER 22, 2004**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Bay de Noc Community College – Michigan Technical Education Center	\$900,000.00	\$500,000.00
Family Independence Agency - Weatherization and Client Education Program	\$8,000,000.00	\$4,240,000.00
Habitat for Humanity	\$175,750.00	\$175,000.00
Lac Vieux Desert Band of Lake Superior Chippewa Tribal Government	\$11,472.50	\$10,000.00
Metro Neighborhood Housing & Community Development Nonprofit Facilities Center – United Way Community Services	\$3,781,100.00 \$1,000,000.00	\$1,700,000.00 \$825,000.00
Nova Development Group of Detroit, L.L.C.	\$2,879,750.00	\$300,000.00
WARM Training Center	\$392,000.00	\$250,000.00
Brookview Community Church	\$987,435.00	\$0.00
City of Ann Arbor	\$288,009.00	\$0.00
Community Economic Development Association of Michigan	\$1,050,000.00	\$0.00
Detroit Housing Commission	\$4,000,000.00	\$0.00
Downriver Community Conference	\$266,300.00	\$0.00
Home Energy Analysis Team	\$533,250.00	\$0.00
Totals	\$24,265,066.50	\$8,000,000.00

MICHIGAN ENERGY EFFICIENCY GRANTS

SUMMARY OF BIDS – ROUND 10

COMMISSION ORDER - JUNE 30, 2005

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Automation Alley Technology Center	\$712,000.00	\$550,000.00
Elkton-Pigeon-Bay Port Laker School District	\$265,965.00	\$265,000.00
Energy Conversion Devices, Incorporated – Ovonic Fuel Cell Company	\$500,000.00	\$400,000.00
Grand Valley State University	\$1,300,000.00	\$1,000,000.00
Michigan Department of Environmental Quality	\$281,842.00	\$185,000.00
Michigan State University/ Biosystems and Agricultural Engineering	\$2,500,000.00	\$2,000,000.00
NextEnergy Center	\$422,000.00	\$150,000.00
Northwestern Michigan College/ Michigan Technical Education Center	\$595,000.00	\$450,000.00
Traverse City Light & Power	\$570,000.00	\$400,000.00
U.P. Steel	\$3,000,000.00	\$530,000.00
West Michigan BioDiesel, L.L.C.	\$73,000.00	\$70,000.00
Totals	\$10,219,807.00	\$6,000,000.00

ATTACHMENT K**LOW-INCOME ENERGY ASSISTANCE GRANTS****SUMMARY OF BIDS – ROUND 11****COMMISSION ORDER – JANUARY 25, 2005**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Family Independence Agency - Low Income Energy Assistance Program	\$15,000,000.00	\$11,400,000.00
Lighthouse Emergency Services	\$300,000.00	\$100,000.00
Michigan Community Action Agency Association	\$10,000,000.00	\$1,100,000.00
Newaygo County Community Services	\$816,800.00	\$250,000.00
Salvation Army	\$3,652,000.00	\$1,050,000.00
The Heat and Warmth Fund	\$10,000,000.00	\$1,100,000.00
Metro Neighborhood Housing & Community Development	\$3,015,244.00	\$0.00
Michigan Propane Gas Association	\$3,000,000.00	\$0.00
Totals	\$45,784,044.00	\$15,000,000.00

ATTACHMENT L**LOW-INCOME ENERGY EFFICIENCY GRANTS****SUMMARY OF BIDS – ROUND 12****COMMISSION ORDER – FEBRUARY 24, 2005**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Bay de Noc Community College – Michigan Technical Education Center	\$500,000.00	\$450,000.00
Detroit Housing Commission	\$520,787.00	\$250,000.00
Family Independence Agency - Weatherization Program and Education	\$5,000,000.00	\$1,050,000.00
Metro Neighborhood Housing & Community Development	\$2,047,459.00	\$1,050,000.00
Michigan Community Action Agency Association	\$5,000,000.00	\$1,050,000.00
Nonprofit Facilities Center – United Way Community Services	\$520,000.00	\$450,000.00
Nova Development Group of Detroit, L.L.C.	\$640,000.00	\$400,000.00
Urban Options, Incorporated	\$2,545,000.00	\$300,000.00
Community Economic Development Assoc. of Michigan	\$517,325.00	\$0.00
D.A. Home Improvements, Incorporated	\$5,000,000.00	\$0.00
Institute for Home Performance Professionals, Inc.	\$435,800.00	\$0.00
Totals	\$22,726,371.00	\$5,000,000.00

ATTACHMENT M

LOW-INCOME ENERGY ASSISTANCE GRANTS

SUMMARY OF BIDS – ROUND 13

COMMISSION ORDER – OCTOBER 18, 2005

***COMMISSION ORDER – MARCH 14, 2006**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
*Department of Human Services - Low Income Energy Assistance Program	\$41,000,000.00	\$26,525,000.00
Downriver Community Conference	\$476,000.00	\$275,000.00
Lighthouse Emergency Services	\$300,000.00	\$200,000.00
Michigan Community Action Agency Association - Direct Energy Assistance, Deliverable Fuels, and Walk for Warmth	\$20,000,000.00	\$4,500,000.00
Newaygo County Community Services	\$1,111,372.00	\$500,000.00
Salvation Army	\$8,279,500.00	\$4,500,000.00
The Heat and Warmth Fund	\$30,000,000.00	\$4,500,000.00
Lakeshore Energy	\$210,250.00	\$0.00
North Kent Service Center	\$783,158.00	\$0.00
Totals	\$102,160,280.00	\$41,000,000.00

ATTACHMENT N**LOW-INCOME ENERGY EFFICIENCY GRANTS****SUMMARY OF BIDS – ROUND 14****COMMISSION ORDER – DECEMBER 20, 2005**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Bay de Noc Community College – Michigan Technical Education Center	\$1,289,600.00	\$750,000.00
Department of Human Services - Weatherization Program and Education	\$10,000,000.00	\$4,500,000.00
Habitat for Humanity	\$279,855.00	\$250,000.00
Michigan Community Action Agency Association - Weatherization Program and Education	\$10,000,000.00	\$2,000,000.00
Nova Development Group of Detroit, L.L.C.	\$3,842,450.00	\$1,350,000.00
United Way Community Services – Nonprofit Facilities Center	\$1,021,500.00	\$500,000.00
Urban Options, Incorporated	\$1,006,500.00	\$400,000.00
Warm Training Center – Education Services	\$510,000.00	\$250,000.00
Detroit Housing Commission	\$529,000.00	\$0.00
Field Street Community Association	\$500,000.00	\$0.00
Lakeshore Energy Technologies	\$220,488.00	\$0.00
Metro Neighborhood Housing and Community Development	\$3,683,140.00	\$0.00
Michigan HEAT	\$512,320.00	\$0.00
Michigan State Housing Development Authority	\$1,067,583.00	\$0.00
Rockford Community Services Center	\$186,151.00	\$0.00
Open Door Outreach Center, Inc	\$25,000.00	\$0.00
Quantec, Inc.	\$1,200,000.00	\$0.00
Warm Training Center – Michigan Build	\$298,900.00	\$0.00
Totals	\$36,172,487.00	\$10,000,000.00

ATTACHMENT O**LOW-INCOME ENERGY ASSISTANCE GRANTS****SUMMARY OF BIDS – ROUND 15****COMMISSION ORDER – FEBRUARY 21, 2006**

BIDDER	AMOUNT REQUESTED	AMOUNT AWARDED
Department of Human Services – Low Income Energy Assistance Program	\$25,000,000.00	\$20,000,000.00
Downriver Community Conference	\$523,684.00	\$200,000.00
Lighthouse Emergency Services	\$500,000.00	\$100,000.00
Michigan Community Action Agency Association - Direct Energy Assistance and Walk for Warmth	\$15,000,000.00	\$1,500,000.00
Newaygo County Community Services	\$606,784.00	\$200,000.00
Salvation Army	\$3,800,000.00	\$1,500,000.00
The Heat and Warmth Fund	\$5,000,000.00	\$1,500,000.00
Livonia Housing Commission	\$20,000.00	\$0.00
United Generation Council Theatrical Troupe	\$500,000.00	\$0.00
Totals	\$50,950,468.00	\$25,000,000.00

**LOW-INCOME
AND
ENERGY EFFICIENCY FUND GRANTS
FOR
FISCAL YEAR 2006
AS OF MAY 2006**

